



12 September 2018

Rim Ji-hoon and Sae-Hoon Choi
Co- Chief Executive Officers
Kakao Corporation
242, Cheomdan-ro
Jeju, 63309
South Korea

Dear Mr. Ji-hoon and Mr. Choi,

Access Now is a global organization fighting to defend and extend human rights in the digital age, particularly for users most at risk. We are writing to draw your attention to your company's performance in the [2018 Ranking Digital Rights Corporate Accountability Index](#) and to invite you to offer a public response.

As you may be aware, the Index evaluated 22 of the world's leading internet, mobile, and telecommunications companies, including yours, and found that all companies could make significant improvements in disclosing policies and commitments that affect their users' rights to freedom of expression and privacy. Kakao's score was based on an evaluation of its disclosed policies for its Daum Search, Daum Mail, and Kakaotalk services.

Kakao ranked sixth out of 12 companies in its category, and saw a 0.25% increase in its Index score from 2017. Kakao outperformed many of the companies surveyed, and outperformed the other South Korean entity, Samsung, by approximately 21 points. Kakao's score increase can be attributed to its improved transparency on policies affecting privacy rights, including on the options users have to control how their information is used for targeted advertising.

The company also earned the second-highest score - following Twitter - because of its clear policies for notifying users when the company removes content and restricts accounts. The company received the third-highest freedom of expression score, which can be attributed in part to the fact that Kakao provided more information than most of its peers about the type of content and activities that the company prohibits across their services.

However, the 2018 Index demonstrates that Kakao should improve its practices and policies to better protect privacy and freedom of expression rights. For instance, Kakao disclosed less than most US companies about its handling of users' information. Additionally, the company failed to disclose whether it notifies users of government or private requests for their information. The company also provided insufficient information about measures taken to handle security vulnerabilities and data breaches. Specifically, Kakao could disclose more information about its encryption policies across different services, its policies for notifying affected users and the relevant authorities in case of a data breach, and its account security policies for KakaoTalk. This, coupled with the lack of clarity about whether the company tracks users across the internet, represent an important opportunity for company improvement. Companies should not track users unless they receive clear consent after giving specific and accessible information regarding relevant policies and practices, in an ongoing manner.

We would like to draw your attention to several concrete steps that your company can take to improve disclosure of policies affecting users' rights. We recognize that in some instances, legal obligations may prevent companies from disclosing certain types of information about specific



policies and practices. However, the Ranking Digital Rights team has consulted with legal experts and identified steps that your company can take in the immediate future to improve disclosure within the current legal environment.

- Kakao should **join the Global Network Initiative (GNI)**, whose members not only make human rights commitments but also undergo independent assessments to verify whether they have implemented and institutionalized them, and participate in multi-stakeholder forums including the RightsCon Summit Series.
- Kakao should be **more transparent about its content management policies**. The company should provide information relating to the volume and the nature of content and accounts restrictions pursuant to Kakao's terms of service.
- The company should provide **more information regarding whether and in what manner it collects data by monitoring users across the internet**.
- Kakao should clearly **articulate the company's security policies and practices**, including the manner in which the company handles data breaches.

Transparency on these issues is not only important from a human rights perspective, but also key to ensuring user trust. Investors also depend on companies to be transparent about these issues to verify they are making sound choices that are encouraging user growth.

We encourage you and the relevant officers within your company to read through the Index findings and recommendations, and the ["report card" for your company](#) in particular, and develop a public response to the issues raised here. This is an opportunity to distinguish your company from others in the sector as a leader on these issues, and to demonstrate a commitment to your users to respect their rights. The full results and raw data can be found at: <https://rankingdigitalrights.org/index2018>. For your convenience I am also attaching PDFs of the full report as well as your company's report card.

This letter will be published this week on the website of the Business and Human Rights Resource Centre, alongside letters to each of the other companies evaluated in the Index. Company responses will be published in a timely manner on the same website upon receipt. A similar set of letters and company responses were published in 2016, visible at: <https://business-humanrights.org/en/access-now-sends-digital-rights-demands-to-tech-and-telco-firms>

We encourage you to send a response for publication by September 26, 2018, to demonstrate to your users and stakeholders that your company is serious about upholding freedom of expression and privacy. Please send your letter via email to Peter Micek <peter@accessnow.org> with Ana Zbona <zbona@business-humanrights.org> in copy.

The Access Now team would be happy to speak with you about your results and provide feedback as you develop your response.

Sincerely,

Peter Micek
General Counsel, Access Now
peter@accessnow.org